

Route 28 Transportation Improvement District

Background: Loudoun County, in partnership with Fairfax County, formed the Route 28 Highway Transportation Improvement District on December 21, 1987. Under Virginia law, such a district may be formed only upon the joint petition of owners of at least 51 percent of the land area in each County located within the boundaries of the district, and which has been zoned or is used for commercial or industrial purposes. The District was formed to provide improvements to State Route 28, which connects State Route 7 in eastern Loudoun County to U.S. Route 50 and Interstate Highway 66 in western Fairfax County, running approximately parallel to the County's eastern border. State Route 28 provides access to Dulles International Airport, along with the Dulles Access Road, which connects the Capital Beltway to Dulles Airport, and the Dulles Greenway, which provides highway access into central Loudoun County. This District was formed upon landowner petition to accelerate planned highway improvements which relied primarily on slower pay-as-you-go financing from the Northern Virginia region's share of the State primary road fund allocation.

The District, administered by a Commission appointed by the Boards of Supervisors of both Counties, may subject the owners of industrial and commercial property within the District to a maximum additional tax assessment of 20 cents per \$100 of assessed value. These funds, in addition to funds received through the State Primary Road Fund allocation formula, are to be used for the road improvements and debt service on bonds issued by the State. The initial debt issue for this project consisted of \$138.5 million in revenue bonds issued by the State in September 1988. In 2002, the County entered into an agreement with the State and Fairfax County to refund the existing debt and issue new bonds to construct six additional interchanges. The total cost of this additional project is estimated at \$190 million and will be completed under the auspices of the State Public Private Transportation Act.

Loudoun County and Fairfax County entered into a contract with the District on September 1, 1988, and agreed to levy additional tax assessments as requested by the District, collect the tax and pay all tax revenues to the Commonwealth Transportation Board. The contract specified that: (1) the County Administrator shall include in the budget all amounts to be paid by the County under the District Contract for the fiscal year; (2) the County shall provide by February of each year the total assessed fair market value of the District as of January 1 of that year; and (3) the District in turn shall notify the County of the required payment and request a rate sufficient to collect that amount, up to a maximum of 20 cents per \$100 of assessed value. Final figures based on the District request will be forwarded to the Board of Supervisors prior to their action. Initially, tax collections at the maximum amount were not sufficient to pay the debt obligation in full. Consequently, the difference has been made up from the Northern Virginia State Highway allocation. The interjurisdictional agreement was subsequently amended to incorporate the revised financing plan for the new work program. Under the revised agreement, Fairfax and Loudoun counties agreed to transfer funds necessary to pay debt service on the existing debt. The remaining amount will be held in a revenue stabilization fund to protect the counties against any fluctuations in revenue. For FY 07, the Route 28 Transportation Improvement District is projected to generate \$8,200,000 in current and delinquent tax revenue to offset its estimated \$8,200,000 in expenditures.

ROUTE 28 TRANSPORTATION IMPROVEMENT DISTRICT PROJECTED BUDGET SCHEDULE	
	FY 07 Adopted
Revenue	\$8,200,000
Expenditures	\$8,200,000
Surplus (+)/Deficit (-)	\$---

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ROUTE 28 TRANSPORTATION IMPROVEMENT DISTRICT FY 07 Forecasted Real Property Taxable Base (Forecasted as of January 2006)			
2006 Estimated fair market value of real taxable property ¹	\$3,920,090,000		
PLUS: Reassessment due to equalization	392,009,000		
PLUS: Actual full value of new construction	120,000,000		
2007 Forecasted fair market value of real taxable property	\$4,432,099,000		
FY 2007 Real property tax base subtotal	\$4,176,095,000		
LESS: Potential administrative and/or Board of Equalization adjustments ²	(41,761,000) ³		
FY 2007 Forecasted real property taxable base	\$4,134,334,000		
PLUS: Partial value of new construction	40,000,000		
FY 2007 Forecasted real property taxable base total	\$4,174,334,000		
ROUTE 28 TRANSPORTATION IMPROVEMENT DISTRICT FY 07 Forecasted Real Property Tax Revenue			
	Forecasted Taxable Base	Net Revenue Per Penny ⁴	Revenue (\$0.20/\$100 Tax Base)
Real property	\$4,171,334,000	\$410,000	\$8,200,000
Notes:			
1. Excludes residential properties.			
2. Resulting from hearings and appeals.			
3. Estimated at 1% of fair market value.			
4. Excludes estimate of 0.05% of uncollectable revenue and 1.5% of deferred revenue and 0.30% for refunds pursuant to Virginia Code 58.1-3980 through 3984 projected to be unavailable for funding expenditures in FY 07			

Source: Department of Management and Financial Services